

EXHIBIT 3  
DATE 1/11/07  
HB 98

## **HISTORY OF THE MONTANA CHILDREN'S SYSTEM OF CARE**

- In 2001 the Montana Legislature passed SB 454 the first multi-agency bill to serve seriously emotionally disturbed youth and their families. Senator Mignon Waterman was the sponsor.
- The bill was needed to develop a plan to contain the burgeoning growth and high cost of the children's mental health system.
- The number of high cost youth at the time was approximately 150, costing more than \$6000 per month and they were served in out of state facilities.
- The bill directed DPHHS to work with all other state agencies responsible for at risk youth to coordinate responsibility for interested multi-agency services for seriously emotionally disturbed youth at the state and local level.
- It also established a State Multi-Agency Children's Committee.
- By late 2002 the number of youth served out of state was down to an average of approximately 20 - 23 youth per month.
- The first phase of addressing systemic change included the development of the Kids Integrated Delivery System (KIDS Project), created as a result of SB 454.
- This initial model for the KIDS Project, a multi-agency systems of care approach, was developed by the Montana Children's Initiative Provider Association (MCI) in cooperation with DPHHS and the Sate Multi-Agency Children's Committee.
- It was funded partially through grants to MCI from the Youth Justice Council and Montana Board of Crime Control.
- There were 4 pilot projects including Missoula County, Lake County, Great Falls and Billings/Crow Tribe.
- In 2003 the Montana Legislature passed SB 94. This bill took the sunset off of SB 454, updated the language to system of care terms and strengthened the statute, with directives to develop a statewide children's system of care. SB 94 was sponsored by Senator Emily Stonington.
- SB 94 also provided permissive language for local teams (now identified as Kids Management Authorities - KMA), to utilize certain existing statutory teams for providing youth services.
- SB 94 also changed the name of the state planning committee to the Montana Children's System of Care Committee (SOC).
- In 2003 DPHHS created a new division called the Health Resources Division.
- The children's mental health program was moved from Addictive and Mental Disorders Division to the Health Resources Division.
- Children's mental health was given bureau status and is called the Children's Mental Health Bureau.
- In 2003 DPHHS, the Children's Mental Health Bureau and the Crow Nation applied for a federal SAMHSA grant to help Montana develop a comprehensive statewide Children's System of Care
- The Montana SOC corresponds with the President's New Freedom Commission Achieving the Promise: Transforming Mental Health Care in America. Montana is utilizing this report as a guide to improving mental health services
- The grant was awarded and is a \$5.9 million, 6 year grant.
- Montana is now entering its 3<sup>rd</sup> year of the SOC grant. The first year was for planning.
- As part of the grant, local planning groups called Kids Management Authorities (KMAs) are being developed around the state to implement the SOC.

- Providers and advocacy groups around the state provided the initial match requirements, both direct and indirect costs to support these local KMAs. This match reverses over the life of the grant from 75% federal/25% state in year one to 33.3% state and 66.7% federal by year six.
- KMAs are in various stages of development and are located in \*Billings/Yellowstone County, \*Kalispell, \*Missoula, Great Falls, Butte, Bozeman, Deer Lodge Valley, Glasgow and Wolf Point, \*Crow Nation, Miles City, Glendive, Salish Kootenai & Polson, Havre, Rocky Boy and Fort Belknap. Those asterisked are the most developed.
- National statistics show that SOC programs save \$2,500 per youth per year in mental health and \$784 per youth in juvenile justice. Montana is beginning to see reduced recidivism in residential treatment care.
- The census for out of state residential treatment has gone up minimally until this year. One of the in-state residential treatment centers had safety and quality issues and also caseload numbers of youth served overall increased. Following is the census for youth served in out of state residential care facilities in May for the last 4 years: 2003 - 18, 2004 - 20, 2005 - 24 and 2006 - 61.
- Approximately 9,551 youth will be served in 2006 in children's mental health. Sixty - sixty two million dollars (\$60-\$62 million) is anticipated to be spent on these services in 2006.
- The Children's Mental Health Bureau is working hard to obtain flexibility for creative services, insisting on good utilization review and accountability from providers and keeping the system "in check."
- Montana has never fully developed an approach for children's mental health. Over the years, many potentially good plans have never come to fruition.
- We must stay the course and ensure long term sustainability of this Montana Children's System of Care.
- Three areas of funding have been identified:
  - a. Funding to maintain the community match at 40%
  - b. Flexible funding to provide creative services in the community
  - c. Children's mental health provider rate increases to ensure a full array of quality services
- Six million dollars (\$6 M) has been requested to include in the Governor's Executive Budget.
  - a. According to early CMHB stats approximately \$2 M is needed to sustain SOC and the community match for the KMAs
  - b. \$1 M is requested for additional community based services to promote least restrictive, most appropriate services
  - c. \$3 M is needed for a 2.5% rate increase for children's mental health providers.

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